



Ninety – Sixth Legislature – First Session – 1999  
**Introducer's Statement of Intent**  
**LB 795**

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**Chairperson:** Senator Elaine R. Stuhr  
**Committee:** Nebraska Retirement Systems  
**Date of Hearing:** 02/03/99

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 795 modifies some provisions of LB 1191 (1998) which implemented reporting requirements for various retirement plans. LB 1191 required certain political subdivisions that have established retirement plans to prepare annual reports and more extensive quadrennial reports. The reports must be filed with PERB and the Nebraska Retirement Systems Committee.

Since the enactment of LB 1191, some questions have arisen about whether the requirements apply to certain types of retirement plans and about the details of such requirements. LB 795 is designed to address these questions.

First, LB 795 specifies that the plans that are subject to the reporting requirements are those established pursuant to section 401(a) of the Internal Revenue Code. Thus, reports would not be required for plans such as section 457 plans (deferred compensation plans) and those plans in which the political subdivision contributes funds directly to an IRA for the employee.

Second, the bill eliminates the quadrennial report, or financial audit and investment return analysis, for defined contribution plans. One of the original concerns under the LB 1191 reporting requirements was the possibility of unfunded liabilities. This can be an issue in defined benefit plans. However, it is not an issue with defined contribution plans, and thus there is not the same need for detailed information on those plans. There would be no change in the LB 1191 requirements for defined benefit plans.

The governmental entities that were required to file these quadrennial reports under LB 1991 include: Natural Resource Districts, Wyuka Cemetery, Cities of the Metropolitan Class, Metropolitan Transit Authorities, Metropolitan Utilities Districts, Class V School District, Cities of the Primary Class, Cities of the First Class, Cities of the Second Class, Villages, Counties with a population of 150,000 or more, County Medical Facilities and City-County Boards of Health.

Finally, it also clarifies language related to the reporting of the level of benefits for defined benefit plans.

**Principal Introducer:** \_\_\_\_\_

**Senator Elaine R. Stuhr**